

# SENATE BILL 771

C5, M1

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CF 2lr2391

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By: **Senator Edwards**

Introduced and read first time: February 3, 2012

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Public Utility Companies – Generating Stations – Wind**

3 FOR the purpose of repealing a provision that exempts a certain person from having to  
4 obtain a certificate of public convenience and necessity for a generating station  
5 that produces electricity from wind under certain circumstances; repealing a  
6 provision that requires a person to obtain approval from the Public Service  
7 Commission prior to any construction of a generating station that produces  
8 electricity from wind under certain circumstances; repealing a provision that  
9 requires the Commission to provide an opportunity for public comment at a  
10 public hearing in a certain manner under certain circumstances; and generally  
11 relating to electricity from wind generating stations.

12 BY repealing and reenacting, without amendments,  
13 Article – Public Utilities  
14 Section 7–207(b)  
15 Annotated Code of Maryland  
16 (2010 Replacement Volume and 2011 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Public Utilities  
19 Section 7–207.1  
20 Annotated Code of Maryland  
21 (2010 Replacement Volume and 2011 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
23 MARYLAND, That the Laws of Maryland read as follows:

24 **Article – Public Utilities**

25 7–207.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) (i) Unless a certificate of public convenience and necessity for  
2 the construction is first obtained from the Commission, a person may not begin  
3 construction in the State of:

4 1. a generating station; or

5 2. a qualified generator lead line.

6 (ii) If a person obtains Commission approval for construction  
7 under § 7-207.1 of this subtitle, the Commission shall exempt a person from the  
8 requirement to obtain a certificate of public convenience and necessity under this  
9 section.

10 (iii) Notwithstanding subparagraph (i) of this paragraph, a  
11 person may not apply to obtain a certificate of public convenience and necessity for  
12 construction of a qualified generator lead line unless:

13 1. at least 90 days before the filing of an application for  
14 a certificate of public convenience and necessity, the person had in good faith offered  
15 the electric company that owns that portion of the electric grid in Maryland to which  
16 the qualified generator lead line would interconnect a full and fair opportunity for the  
17 electric company to construct the qualified generator lead line; and

18 2. at any time at least 10 days before the filing of an  
19 application for a certificate of public convenience and necessity, the electric company:

20 A. did not accept from the person a proposal or a  
21 negotiated version of the proposal under which the electric company would construct  
22 the qualified generator lead line; or

23 B. stated in writing that the electric company did not  
24 intend to construct the qualified generator lead line.

25 (2) Unless a certificate of public convenience and necessity for the  
26 construction is first obtained from the Commission, and the Commission has found  
27 that the capacity is necessary to ensure a sufficient supply of electricity to customers  
28 in the State, a person may not exercise a right of condemnation in connection with the  
29 construction of a generating station.

30 (3) Unless a certificate of public convenience and necessity for the  
31 construction is first obtained from the Commission, an electric company may not begin  
32 construction of an overhead transmission line that is designed to carry a voltage in  
33 excess of 69,000 volts or exercise a right of condemnation with the construction.

34 7-207.1.

35 (a) This section applies to a person who:

1 (1) constructs a generating station[:

2 (i)] designed to provide on-site generated electricity if:

3 [1.] (I) the capacity of the generating station does not  
4 exceed 70 megawatts; and

5 [2.] (II) the electricity that may be exported for sale  
6 from the generating station to the electric system is sold only on the wholesale market  
7 pursuant to an interconnection, operation, and maintenance agreement with the local  
8 electric company; or

9 [(ii) that produces electricity from wind if:

10 1. the generating station is land-based;

11 2. the capacity of the generating station does not exceed  
12 70 megawatts;

13 3. the electricity that may be exported for sale from the  
14 generating station to the electric system is sold only on the wholesale market pursuant  
15 to an interconnection, operation, and maintenance agreement with the local electric  
16 company; and

17 4. the Commission provides an opportunity for public  
18 comment at a public hearing as provided in subsection (e) of this section; or]

19 (2) constructs a generating station if:

20 (i) the capacity of the generating station does not exceed 25  
21 megawatts;

22 (ii) the electricity that may be exported for sale from the  
23 generating station to the electric system is sold only on the wholesale market pursuant  
24 to an interconnection, operation, and maintenance agreement with the local electric  
25 company; and

26 (iii) at least 10% of the electricity generated at the generating  
27 station each year is consumed on-site.

28 (b) (1) The Commission shall require a person that is exempted from the  
29 requirement to obtain a certificate of public convenience and necessity to obtain  
30 approval from the Commission under this section before the person may construct a  
31 generating station described in subsection (a) of this section.

- 1           (2)    An application for approval under this section shall:
- 2                   (i)    be made to the Commission in writing on a form adopted by  
3 the Commission;
- 4                   (ii)   be verified by oath or affirmation; and
- 5                   (iii)  contain information that the Commission requires,  
6 including:
- 7                           1.   proof of compliance with all applicable requirements  
8 of the independent system operator; and
- 9                           2.   a copy of an interconnection, operation, and  
10 maintenance agreement between the generating station and the local electric  
11 company.
- 12           (c)    When reviewing an application for approval under this section, the  
13 Commission shall:
- 14                   (1)   ensure the safety and reliability of the electric system;
- 15                   (2)   require the person constructing the generating station to notify the  
16 Commission 2 weeks before the first export of electricity from a generating station  
17 approved under this section; and
- 18                   (3)   conduct its review and approval in an expeditious manner.
- 19           (d)    The Commission may waive an element of the approval process under  
20 this section if the Commission determines that the waiver is in the public interest.
- 21           [(e)   (1)   The Commission shall provide an opportunity for public comment  
22 and hold a public hearing as provided under this subsection on an application for  
23 approval made under subsection (a)(1)(ii) of this section in each county and municipal  
24 corporation in which any portion of the construction of a generating station is proposed  
25 to be located.
- 26                   (2)   Upon the request of the governing body of a county or municipal  
27 corporation in which any portion of the construction of a generating station is proposed  
28 to be located, the Commission shall hold the public hearing jointly with the governing  
29 body.
- 30                   (3)   Once in each of 2 successive weeks immediately before the hearing  
31 date, the Commission, at the expense of the applicant, shall provide weekly notice of  
32 the public hearing and opportunity for public comment by advertisement in a  
33 newspaper of general circulation in the county or municipal corporation affected by the  
34 application.]

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2    June 1, 2012.